



## State of Utah

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#### NEWS RELEASE

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#### RELEASE OF THE UTAH COAL REPORT, 2004

The Utah Geological Survey has released Open-File Report 463, *Annual Review and Forecast of Utah Coal: Production and Distribution for 2004*; formerly published by the Utah Energy Office.

Coal production in Utah dropped for the third straight year to 21.8 million short tons in 2004, the lowest level since 1993. This low production was mainly caused by temporary closures at the Skyline and Emery mines, as well as decreased production at other operations due to labor problems, difficult mining conditions, and multiple longwall shifts with related development work. Consequently, distribution of Utah coal dropped to 22.8 million short tons in 2004, and several Utah coal users had to look to other states for their coal needs. This situation increased the amount of coal imported into Utah to 3.2 million short tons, a new record high. In addition, the number of coal-related employees dropped to 1523, the lowest level in over 25 years, and productivity dropped to the lowest level since 1997. The only positive highlight for 2004 was that prices increased to an average of \$17.70 per short ton, up from \$16.64 in 2003, which was the lowest price in nominal dollars recorded in the last 30 years.

Fortunately, 2005 should mark the beginning of a significant resurgence in Utah's coal industry. Operators expect total Utah coal production to increase to 24.4 million short tons in 2005 and increase further to 27.5 million short tons in 2006, which would set a new state production record. This increase will result from the reopening of the Skyline and Emery mines, and from other operations expected to increase production. Coal-related employment in 2005 is projected to increase by 236 people to a total of 1759 employees, and the average price of Utah coal is expected to increase to \$18.98 per short ton. Production increases in 2005 will also lead to an increase in Utah coal distribution, expected to total 25.7 million short tons, and result in an associated decrease in coal imports.

Production and employment levels could increase even further in the near future if the proposed Lila Canyon and Columbia mines, both in the Book Cliffs coal field, start operation. The Lila Canyon mine could open as soon as 2006, while the reopening of the Columbia mine is slated for 2007. Operators at both mines hope to produce 2.0 to 5.0 million short tons per year at full capacity, and each expects to employ roughly 200 to 250 employees.

The 2004 Utah Coal Report can be viewed on the Utah Geological Survey's website at [www.geology.utah.gov](http://www.geology.utah.gov), clicking on the "energy data" link, and selecting

Page 2  
October 12, 2005  
Subject:

the “coal” chapter (direct URL: [www.energy.utah.gov/newdata/coal2.htm#reports](http://www.energy.utah.gov/newdata/coal2.htm#reports)). Also available online is the newly redesigned *Utah Energy and Mineral Data* web-based statistical repository, which includes current and historical energy and mineral data for the state of Utah ([www.energy.utah.gov/newdata/statpage.htm](http://www.energy.utah.gov/newdata/statpage.htm)). Any comments and questions should be directed to Michael Vanden Berg at 801-538-5419 or Dave Tabet at 801-537-3373.

The Utah Geological Survey is an applied scientific agency that creates, interprets, and provides information about Utah’s geologic environment, resources, and hazards to promote safe, beneficial, and wise use of land.

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